GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:67
ANSWERED ON:24.11.2009
PROCUREMENT OF WHEAT AND RICE
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the total quantity of wheat and rice procured during the last three years and the current year;

(b) whether there is a wide gap between the production and procurement of foodgrains in the country;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps being taken to bridge this gap?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), & (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO.67 DUE FOR ANSWER ON 24.11.2009 IN THE LOK SABHA.

(a),(b)&(c): The production and procurement and procurement as percentage of production of wheat and rice during the last three years and the current year is as under:

(in lakh tonnes)

Marketing Year	Wheat			Rice		
	Production	Procurement	Procurement as percentage of production	Production	Procurement	Procurement as percentage of production
2006-07	693.5	92.26	13.30	933.5	251.07	26.89
2007-08	758.1	111.28	14.68	966.9	287.36	29.72
2008-09	785.7	226.89	28.88	991.5 #	333.07	33.59
2009-10	805.8 #	253.82	31.50	694.5 @	112.79 $	16.24

# Fourth Advance Estimate of Department of Agriculture & Cooperation
$ as on 18.11.2009
@ First Advance Estimate of Department of Agriculture & Cooperation (Kharif Rice only)

Under the existing policy of foodgrains procurement, the Central Government, through Food Corporation of India (FCI) and State agencies, purchases all the foodgrains, conforming to the prescribed specifications, offered for sale by farmers at specified centers at the Minimum Support Price (MSP). The farmers have the options to sell their produce to FCI/State Agencies at MSP or in the open market, as is advantageous to them. However, procurement of wheat and rice in any marketing season depends on a number of factors which include production, marketable surplus, market sentiment, prevailing market prices, stock of wheat and paddy available in the Central Pool and extent of participation by private trade.

(d): The steps taken by the Government to maximize procurement of wheat and rice are given at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA STARRED QUESTION No. 67 DUE FOR ANSWER ON 24.11.2009

Steps taken by the Government to maximize procurement of wheat and rice:

Wheat

(i) Wheat export on private account has been banned from 9.2.2007 till further orders.

(ii) The MSP for wheat was fixed at Rs.1000 per quintal for RMS 2008-09. As a result of this and other measures taken by Government, 226.89 lakh tonnes of wheat was purchased in RMS 2008-09, which has enhanced the availability of wheat. The MSP for wheat in RMS 2009-10 was fixed at Rs.1080 per quintal, which has contributed to procurement of 253.82 lakh tonnes of wheat.

Rice

(i) In KMS 2008-09, the MSP of Rs.850/- and Rs.880/- per quintal was fixed for Common and Grade 'A' varieties of paddy. The Government also allowed a bonus of Rs.50/- per quintal on both varieties of paddy during KMS 2008-09 to maximize the procurement. As a result of this, a record quantity of 333.07 lakh tonnes of rice was procured in KMS 2008-09, which has enhanced the availability of rice in the Central Pool. In KMS 2009-10, the MSP of Rs.950/- and Rs.980/- per quintal was fixed for Common and Grade 'A' varieties of paddy. The Government has also approved a bonus of Rs.50/- per quintal on both varieties of paddy during KMS 2009-10 to maximize rice procurement for Central pool.

(ii) Export of non-basmati rice has been banned w.e.f. 1.4.2008. Export of Basmati Rice is allowed only at Minimum Export Price (MEP) of US$ 900 per MT.

(iii) To have an assessment of major rice purchases by private trade, a notification titled "Rice (Stock Declaration by Companies or Firms or individuals) Order 2009 has been issued under the Essential Commodities Act 1955 on 11.11.2009.

(iv) State Governments have been requested to maximize the procurement of rice by opening sufficient number of procurement centres and by making other necessary arrangements for the procurement of paddy and its milling. State Governments have also been requested to enforce a minimum levy of 50% on rice millers.

(v) Commission to societies and Self-Help Groups (SHGs) for KMS 2009-10 has been fixed at 2.5% of MSP to maximize procurement from small and marginal farmers.